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3 February 2022

Mr Edward Orum
Project Leader
Australian Energy Market Commission
Level 15, 60 Castlereagh Street
SYDNEY NSW 2000

Submitted online: <https://www.aemc.gov.au/contact-us/lodge-submission>

Dear Mr Orum,

SUBMISSION ON IMPROVING CONSULTATION PROCEDURES IN THE RULES

Powerlink Queensland (Powerlink) welcomes the opportunity to provide input on the Australian Energy Market Operator's (AEMO's) proposal to improve consultation procedures in the National Electricity Rules (the Rules).

We expect procedures and guidelines, which are subordinate to the Rules, to become more widely used to specify the way in which Rules obligations will be met going forward. Given the breadth and rapid pace of change in the energy market, it is important that the Rules Consultation Procedures (RCP) are sufficiently flexible to enable the development and review of subordinate instruments.

Consistent with AEMO's view, we support improvements to the RCP that will facilitate the implementation of Rule changes and energy market reforms. From an overarching perspective, we consider that the establishment of principles in the Rules and details in supporting instruments can provide a more agile way to facilitate changes to the arrangements where required. However, we also see merit in the Australian Energy Market Commission's (AEMC's) position that a case-by-case or proportionate approach may be warranted in some circumstances.

We do not consider there would be material advantages from the addition of a right to request a change to an instrument to the Rules, as stakeholders are already able to request a review by decision-makers. Instead, we suggest that all entities be required to maintain and publish registers on their websites of the instruments they administer under the Rules, including the clause of the Rules under which instruments are made. This aspect of AEMO's request is addressed in more detail in the attachment.

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Powerlink Queensland is the registered business name of the
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We have also provided input into and support Energy Networks Australia's (ENA's) submission.

If you have any questions regarding this submission or would like to meet with Powerlink to discuss this matter further, please contact me on (07) 3860 2667 or by email at jharris@powerlink.com.au.

Yours sincerely,

Jennifer Harris
GENERAL MANAGER, NETWORK REGULATION

ATTACHMENT: DETAILED FEEDBACK IMPROVING CONSULTATION PROCEDURES UNDER THE RULES

Right to Request a Change to an Instrument

The AEMC's Consultation Paper suggests that the right of stakeholders to request a change to instruments or procedures could ensure that instruments are updated as required to address stakeholder needs.¹ Unless decision-makers are *required* to review the instruments they administer at appropriate intervals, we do not consider there would be material advantages to the addition to the Rules of a stakeholder right to request a change. Recent requests have been made to review, or add a requirement to review, a scheme or guideline under the Rules, without a positive response from the relevant energy market body.

- *Transmission Service Target Performance Incentive Scheme (STPIS)*: Powerlink, the ENA and other Transmission Network Service Providers have urged the Australian Energy Regulator (AER) to progress an urgent review of the STPIS to ensure it remains fit-for-purpose and provides ongoing benefits to customers.² Despite Powerlink having first called for such a review in October 2019, to date, the AER has not agreed to such requests.³
- *Better Bills Guideline*: In March 2021, the AEMC finalised its determination of the Bill Contents and Billing Requirements Rule change request. During the consultation process, retailers and industry stakeholders argued that the final Rule should require the AER to review the Better Bills Guideline after certain periods of time or in particular circumstances.⁴ The AEMC expressed support for timely regulatory reviews but decided not to set a timeframe for review of the guideline, and concluded that the AER should review the guideline when the AER considers it necessary.⁵

We agree with the AEMC that a consultation process should incentivise decision-makers to regularly update instruments to respond to the need for change.⁶ Therefore, we encourage the AEMC to ensure any amendments made to the Rules in response to AEMO's proposal deliver consultation procedures that can accommodate reviews of instruments where issues are complex and/or controversial, or where they are simpler and less controversial.

Currently, the only way to identify the full suite of procedures, guidelines and other instruments made under the Rules is to search through the Rules themselves or find them on, principally, the AER, AEMC and AEMO websites. We suggest that all entities be required to maintain and publish registers on their websites of the instruments they administer under the Rules. For each instrument, the registers should include, at a minimum:

- the name of the instrument;
- the clause in the Rules under which the instrument is made;
- whether the instrument is binding on the decision-maker and/or energy businesses;
- a link to the current version of the instrument on the decision-maker's website; and
- a statement that outlines when and/or in what circumstances the instrument may/will be reviewed in future.

¹ AEMC, *Improving Consultation Procedures in the Rules*, Consultation Paper, December 2021, p. 12.

² Powerlink, *2023–27 Revised Revenue Proposal*, November 2021, pp. 33–34.

³ Powerlink, *Framework and Approach*, Letter to AER, October 2019, pp. 1–2; AER, *Review of Incentive Schemes for Networks*, Discussion Paper, December 2021, p. 72.

⁴ AEMC, *Bill Contents and Billing Requirements*, Draft Determination, December 2020, p. 25; AEMC, *Bill Contents and Billing Requirements*, Final Determination, March 2021, pp. 43–44.

⁵ AEMC, *Bill Contents and Billing Requirements*, Draft Determination, December 2020, p. 26; AEMC, *Bill Contents and Billing Requirements*, Final Determination, March 2021, pp. 45–46.

⁶ AEMC, *Improving Consultation Procedures in the Rules*, Consultation Paper, December 2021, p. 5.

Publicly accessible registers could be a useful resource for energy businesses, policymakers and energy industry stakeholders. The registers could also be used by decision-makers to manage expectations about review timeframes, and reduce the likelihood that changes are requested too frequently by stakeholders.